Weekly Economic Review

Part-time employment fuels job growth

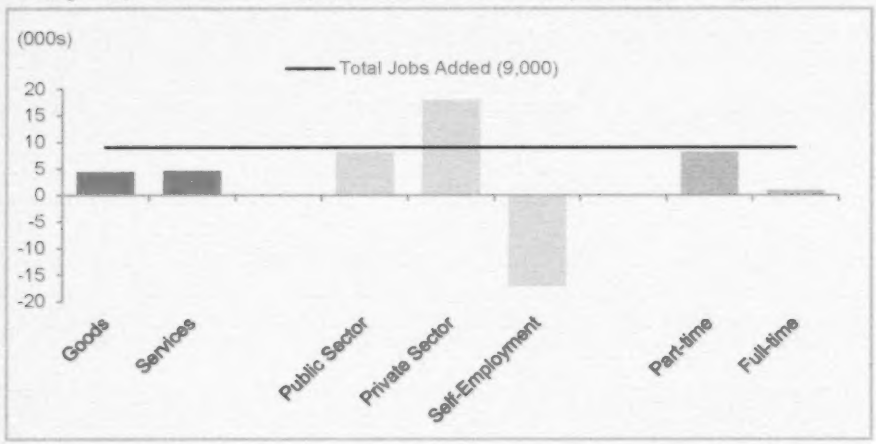
Employment

Alberta extends streak of employment gains

Alberta's employment increased for the third straight month in October. The province gained 9,000 jobs, fueled mostly by an increase of 8,100 part-time positions (Chart 1). Private sector employment recorded its largest monthly gain since March 2016, adding 17,900 positions month-over-month (m/m) while public sector also posted an increase (+8,200 m/m). Meanwhile, self-employment declined by 17,100 m/m, wiping out September's gains. On an industry basis, employment growth was led by forestry, fishing, mining and oil and gas (+7,600 m/m). Modest increases were posted in service-producing industries such as trade (+1,500 m/m), and transportation and warehousing (+2,300 m/m). In contrast, manufacturing (-2,000 m/m) continued to shed jobs. Year-over-year (y/y), employment was down 1.1%, an improvement from the declines of over 2% from May to September. Despite the increase in employment, the province's unemployment rate remained unchanged at 8.5% as more Albertans joined the workforce.

Chart 1: Job gains mostly in part-time positions

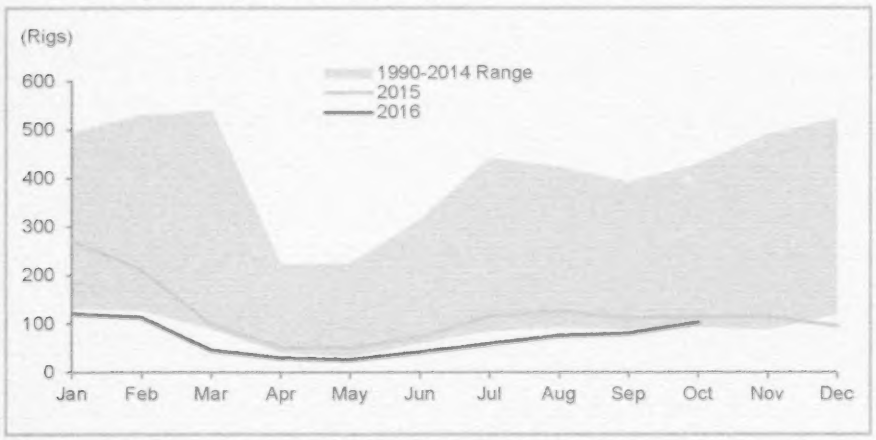
Change in jobs between September and October, by employment type



Source: Statistics Canada

Chart 2: Rigs drilling picks up in October

Number of rigs drilling for oil and gas in Alberta



Source: Canadian Association of Oilwell Drilling Contractors

Rigs Drilling

Drilling activity rises

The number of rigs drilling in Alberta continues to improve. The number of active rigs rose 28% m/m to 102 in October, supported by an improvement in oil prices. This represented the strongest monthly increase for October over the last six years. While rigs drilling has been increasing over the last five months, it still remains close to historical lows seen for the month of October (Chart 2). Meanwhile, rig utilization edged up slightly to 22% but remains low compared to historical levels.

Metres Drilled

Metres drilled picking up

Along with the improvement in rigs drilling, metres drilled also picked up. A total of 610,450 metres were drilled in August, up 37% m/m. Compared with last year, however, metres drilled were down for conventional oil (-27% y/y), bitumen (-69% y/y) and natural gas (-29% y/y). On the other hand, metres drilled per well increased for natural gas (13% year-to-date or YTD) and bitumen (9% YTD).

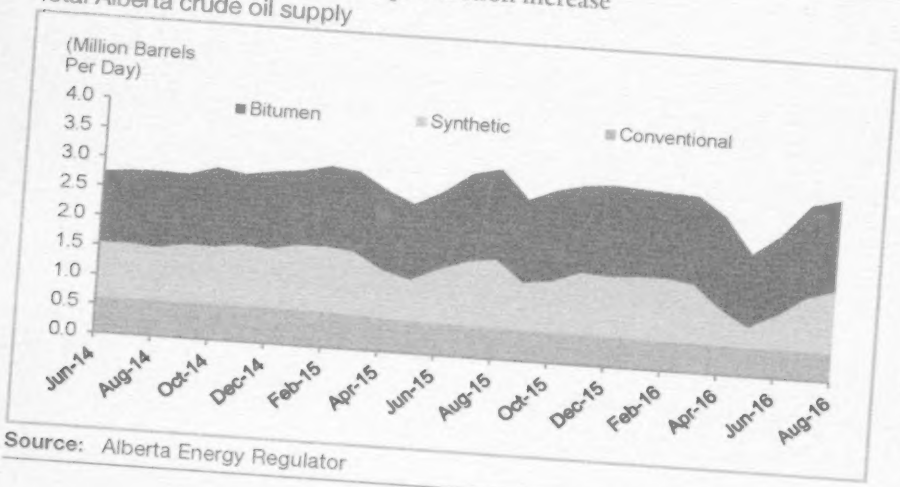
Supply and Disposition of Crude Oil

Oil production improves following wildfires

Alberta's oil production continues to recover following the wildfires in the spring. Alberta produced a total of 3.1 million barrels of oil per day in August, up 4.0% m/m. The increase was solely attributed to higher synthetic crude production (+17% m/m). Conversely, conventional oil declined almost 2% m/m, reflecting lower condensate production (-5.5% m/m), which fell for the first time in six months. On a year-over-year basis, oil production remained weak (-4.5% y/y) pulled down by lower conventional production (-9.1% y/y).

Chart 3: Synthetic crude drives production increase

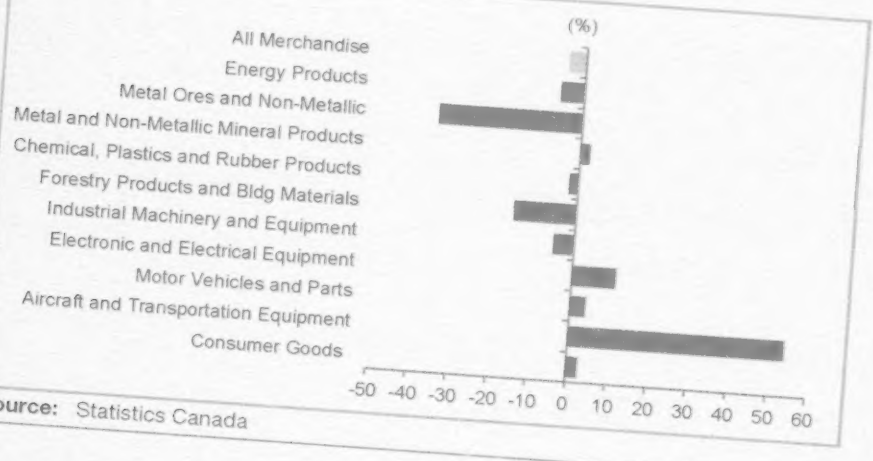
Total Alberta crude oil supply



Source: Alberta Energy Regulator

Chart 4: Exports dip slightly in September

Month-over-month growth in exports


(%)
All Merchandise
Energy Products
Metal Ores and Non-Metallic
Metal and Non-Metallic Mineral Products
Chemical, Plastics and Rubber Products
Forestry Products and Bldg Materials
Industrial Machinery and Equipment
Electronic and Electrical Equipment
Motor Vehicles and Parts
Aircraft and Transportation Equipment
Consumer Goods
-50 -40 -30 -20 -10 0 10 20 30 40 50 60

Source: Statistics Canada

Merchandise Trade

Exports retreat in September

Alberta's exports slipped slightly following gains over the last four months. The value of Alberta's international goods exports fell 4.3% m/m to $6.7 billion in September (Chart 4). The value of energy exports fell 5.9% m/m while non-energy exports declined by less than 1.0% m/m. On a year-over-year basis, overall exports were down 16.0% y/y with majority of the categories experiencing sharp declines, most notably industrial machinery (-47% y/y) and metal ores and non-metallic mineral products (-72% y/y).

Canadian GDP

Canadian economy expands

Economic growth in Canada continues to pick up on the back of stronger activity in the resource sector. Real GDP rose 0.2% m/m in August following 0.4% growth in July. Growth in the goods sector (+0.7% m/m) was led by strong gains in mining, quarrying, and oil and gas extraction (+1.4% m/m), utilities (+2.4% m/m) and construction (+0.5% m/m). Output in mining and oil and gas grew for the third straight month in August fuelled by higher potash exports and rebound in oil and gas extraction. Meanwhile, output in the service sector was essentially flat.

US Employment

Job growth moderating

US job growth slowed in October but remained healthy. Employment rose 161,000, slower than the average of about 206,000 jobs created in the preceding three months. Nearly all of the job gains occurred in the private services sector. The unemployment rate edged down 0.1 percentage point to 4.9%.

Contact

Kathleen Macaspac 780.427.8841

Please see the *Alberta Economy - Indicators at a Glance* for a snapshot of Alberta indicators.